INTRODUCTION

In today’s world of business and technology we are constantly barraged with a ever-ending series of acronyms; a relative recent addition is a eCRM. Like many of its predecessors, eCRM stands for electronic customer relationship management, is a term that is tied to a great deal of hype and establishes a frame work for success. A commitment to true CRM implies the ability to analyze customer data and to use a combination of financial and customer based metrics for decision-making. Fundamentally, CRM concerns attracting and keeping “economically valuable” customers and repelling and eliminating “economically invaluable” ones. The amount of information relevant in CRM processes can only be handled effectively when information technology is applied. Due to the lack of personal contact, CRM is of particular importance in e-Commerce.

What is eCRM?

Customer Relationship Management (CRM) is a way to identify, acquire, and retain customers - a business’ greatest asset. By providing the means to manage and coordinate customer interactions, CRM helps companies maximize the value of every customer interaction and in turn improve corporate performance.

eCRM, or electronic Customer Relationship Management, is an integrated online sales, marketing and service strategy that is used to identify, attract and retain an organization’s customers. It describes improved and increased communication between an organization and its clients by creating and enhancing customer interaction through innovative technology.

eCRM software provides profiles and histories of each interaction the organization has with its customers, making it an important tool for all small and medium businesses.

**eCRM Software Systems May Contain A Selection Of The Following Features**

- Customer Management – Provides access to all customer information including enquiry status and correspondence.
- Knowledge Management – A centralized knowledge base that handles and shares customer information.
• Account Management – Access to customer information and history, allowing sales terms and customer service teams to function efficiently.
• Case Management – Captures enquiries, escalates priority cases and notifies management of unresolved issues.
• Back-end integration – Blends with other systems such as billing, inventory and logistics through relevant customer contact points such as websites and call centres.
• Reporting and analysis – Report generation on customer behaviour and business criteria.

Customers will and are raising their expectations, They’re looking for deeper levels of service and customization. It’s the question to all eCRM solution holders and provider- “Can company meet those expectations?”

Example eCRM solution for Retail Banking that can achieve the following
1. Retaining Customers, loyalty Development
2. Cross-selling and Up-selling Management
3. Acquiring the new Customers
4. Better Marketing and sales effectiveness
5. Management decisions support

CRM Solutions should provide Analytical tools to enhance customer insight, customer segmentation, product and service insight, and profitability.

**eCRM Opportunities**

eCRM is not here to change marketing but to enhance it by presenting opportunities to companies to improve their effectiveness and to deliver customer value. It can reduce the costs involved in communicating to customers, optimize work flows as a result of integration with other enterprise Systems, facilitate better market segmentation and enable enhanced customer interactions, relationship and personalization opportunities. The goal of eCRM systems is to improve customer service, retain valuable customers and to aid in providing analytical capabilities within an organization.

CRM applications take full advantage of technology innovations with their ability to collect and analyze data on customer patterns, interpret customer behavior, develop predictive models, respond with timely and effective customized communications and deliver product and service value to individual customers. Using technology to optimize interactions with customers’ companies can create a degree view of customers to learn from past interactions to optimize future ones. It is also the infrastructure that enables the delineation of, and increases in, customer value and the correct means by which to motivate valuable customers to stay loyal.

Industries that tend to be more eCRM ready are aware of distinct contact with customers, are very competitive and are constantly seeking differentiation. eCRM can be used as an
approach to relationship management with multiple stakeholders including customers, employees, channel partners and suppliers. Specific opportunities of eCRM highlighted here include enhanced customer interactions and relationships, managing customer touch points, personalization options and leveraging eCRM capabilities as a potential source of competitive advantage.

**Managing Customer Touch Points**

Customers are moving between traditional and online channels with greater frequency when dealing with organizations. eCRM systems support multichannel touch points with the company and a key challenge is providing a consistent experience for the customer. Offering multiple interaction paths scores convenience points for customers but this benefit quickly evaporates if the customers are forced to repeat themselves because one part of the organization is not synchronized with another. Customers accustomed to real time information and responses must be catered for when they switch to an alternative channel. It shouldn’t in principle make any difference whether a customer interacts with the company through the sales force, over the Web or indirectly through a reseller. For this reason effective multi-channel management has emerged as a hallmark of a successful CRM strategy within organizations.

**Personalization and e-Loyalty**

With new eCRM technologies it becomes possible for a company to tailor the whole customer experience to the individual. Tailoring based on customer data, active personalisation, includes information content presented, the products offered and also advertising from other organizations. The existence of direct-to-customer channels is the key enabler for automated systems to be able to deliver highly relevant content because of the amount of data that can be collected.

**Leveraging eCRM as a Source of Competitive Advantage**

When executed correctly eCRM implementations are designed as a digital loyalty cycle that continuously improves to create lasting competitive advantage. When a company uses eCRM technology and redefines its business processes in customer acquisition and retention, it strengthens its capabilities in key areas that determine a customer’s purchase decision including pricing, product quality, marketing, sales and customer service to create a virtuous digital loyalty cycle.

**Challenges of eCRM**

With eCRM customers drive the interaction deciding on the type and duration of contact permissible. The ability to create intimacy with the customer is limited and building trust can be difficult. When managing an on-line channel companies are faced with the fact that greater choice creates fickleness among customers and with the competition only one click away there are no second chances to recover mistakes in these remote channels. Data integration and IT architecture challenges also exist for organizations adopting eCRM technologies.
Customer Interactions and Relationships

The use of an eCRM system enables traditional physical customer proximity to be substituted by digital proximity. The need for customer reassurance in the purchase decision can be exacerbated by new e-channels and needs to be addressed by the creation of, for example, on-line communities, on-line shop assistants, customer testimonials and general reassurance about buying strategies and purchase choices for customers. The ability to create intimacy with the customer does not exist on-line and due to the remoteness of these channels building trust is more difficult, with the relationship element of eCRM harder to build beyond a purely transactional one. In the absence of such trust it is harder to get customers to share the data which is essential to creating effective CRM strategies. Privacy policies and guarantees become an essential element in building trust and consequently effective eCRM initiatives for companies.

Managing an On-Line Channel

eCRM as merely part of the bigger picture of enterprise-wide CRM, as CRM enabled by the use of new electronic and interactive media. The on-line channel is described as merely one piece of the CRM puzzle but one which will become increasingly important for companies who must now learn to manage relationships with e-customers as these electronic channels mature and the e-customer base proliferates. eCRM is now a priority for the majority of companies as the impact of electronic initiatives on sales and service requirements continues in tandem with the increased levels of investments in Internet-related delivery made by companies. eCRM can then be seen to provide a structure for the possible strategic evolution of a technology-mediated relationship marketing business framework.

Challenges of Data Integration and IT Architecture

From a technology perspective an eCRM system represents a mass of seams that need to be tightly stitched together, in essence a mass of integration. No single software application is able to fill the gap, nor is it likely to be filled internally. To implement eCRM companies will need a variety of hardware/software applications and tools. This suggests significant resource and cost implications, which companies must incorporate into their overall strategic planning. An eCRM system is also highly dependent on neighboring systems to be effective, for example: traditional ‘front office’ CRM which has to be consistent with an eCRM system at both data and process levels; back office systems which supply product availability and pricing information as well as previous customer transaction details; an existing data warehouse/mart consolidating customer related information; and finally Web content management and authoring tools. All of these linkages need to be effective and operational for eCRM to successfully impact company activities and will present a host of challenges as business processes may have to be modified. This reinforces the need for companies to have well-developed business processes and information and technology infrastructures on which to build and sustain eCRM competences.

In the area of on-line retailing, Buy4Now, Ireland’s on-line shopping centre, has successfully dealt with this data and systems integration challenge. Buy4Now has developed its own order fulfillment system (OFS4Now) which allows partner retailers to view orders on their
websites. Retailers receive orders and then pick the items from the shop floor. As the orders are filled they are updated on the system so that the customer can view their order status. Updates to the OFS4Now system link to the warehouse system operated by Buy4Now Logistics and to the Buy4Now portal and call centre system, allowing customer queries to be efficiently and effectively dealt with, increasing the level of customer service offered and enhancing customer relationships.

Integrating data from multiple sources, both online and off-line channels, is a critical issue in facilitating successful and valuable eCRM analytics but will represent a challenge for even the most progressive of companies initially. Although on-line, off-line and external data integration has its complexities, the value added is significant. Their research suggests that companies integrating data from various customer touch points achieve significant benefits with higher user satisfaction and ROI rates than companies that do not deal with the data integration challenge. However, having access to and managing technology is only half the battle to process integration, as a core capability that will distinguish best eCRM practice among companies. Such integration represents a formidable challenge for companies but if successfully managed can generate a source of competitive advantage in the marketplace.

A number of these issues are illustrated by the experiences of eircom, which has designed and implemented an eCRM solution integrating its sales, marketing and service delivery activities. Within eircom this eCRM business solution was implemented throughout seven contact centres nationwide. Sales and support staff now have access to customer data, provisioning and billing information and a comprehensive marketing database. The information is stored in a number of disparate servers throughout eircom. The solution was enhanced with the implementation of an integrated customer information database (ICID). This enables eircom to have a single view of its customers across several key systems. The database holds the details of the customers, the individuals and the accounts that make up that customer and all the relationships the individuals have with both the company and each other. ICID also provides the central facility to capture communications with customers from the many different channels within eircom, including the contact centres and the Web. It has transformed the way eircom interacts with its customers, bringing a customer-centric approach to the company. The benefits included consistent and higher quality customer care, faster time to market for new products and increased sales and productivity. A product query can now be fully answered in three minutes as opposed to ten under the old system. Reduced training time and costs is another benefit to the company, as staff can be trained on the new system in three days compared with the need for ongoing training with the old system.

The result of this initiative was that eircom successfully achieved full integration: electronic diary and order management, recording of all customer history details and consistent call handling. This in turn resulted in shorter call duration, lower costs per contact and more efficient and automated processes where the system performs all the tasks. Leveraging the customer base with eCRM can facilitate cross-selling complementary products as well as ‘selling up’ to higher quality substitutes. In the case of eircom, call centre operators are now empowered to up-sell products and services as well as discount plans to customers with a high propensity to churn. Key performance indicators to assess improvements included:
average call processing time, revenue per decision making contact, speed of answering calls, service levels and electronic enablement levels.

Also, the introduction of the eircom Voice Recognition (e-VR) system means that many tasks can be completed within the automated system, removing the need for agent intervention. However, other services continue to be handled by call centre agents, but through the addition of speech enabled data collection and the passing of this data directly to agents handling time is reduced, as is the cost per call. Within ESBIEFM the main priority for future CRM developments is the integration of financial information with the eCRM system. It is planned to integrate fully with the organization’s accounting system to get real time financial information for people facing the customer.

Marketing and IT Alignment

The IT function is an essential enabler of business development within an organization. However, mismatched perceptions and expectations between the Marketing and IT functions can often impact and delay eCRM strategies. Marketing users often focus on the front end of applications and assess the functionality of the eCRM system with limited understanding of data and Web integration issues, while the IT function tends to assess its technical quality. An additional concern is that eCRM projects driven by a functional head, such as Marketing or IT, rarely produce an enterprise view of customers and modeling applications to a single functional view can often lead to failure. Successful eCRM strategies necessitate improved levels of integration between functions to successfully harness the opportunities available.

CONCLUSION

As e-technologies continue to develop into the future in tandem with the proliferation of an e-customer base, companies must attempt to harness the opportunities available to deliver sustainable competitive advantage in the digital world of eCRM. To inform such strategies there is an ongoing need to examine how companies are translating investments in eCRM technologies into sustainable competitive advantage in the marketplace. The role of eCRM in the development and management of multi-channel strategies is also an issue for further research. It can be difficult for companies to put in place the correct metrics to evaluate eCRM strategies, and further research on gauging the effectiveness of eCRM through performance measurements within organizations would be useful. Though the literature on self-service technologies is growing there is an ongoing need to examine the response of customers to a company’s eCRM strategies.

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